

October 20, 2009

Context

The property is located in the north end of Seattle in the Green Lake and Greenwood neighborhoods. This property was not identified or discussed in the planning process or in the final approved neighborhood plans as one which is needed for the fulfillment of present or future neighborhood space or amenities. Initial interest by two city departments: the Office of Housing for affordable/mixed use housing and the Department of Neighborhoods for a community garden - subsided when further analysis found better alternative sites. The immediate neighborhood consists of a mix of commercial buildings fronting on Aurora Avenue North, multi-family residences and some older single-family residences. A large variety of commercial uses are found along Aurora Avenue North, also known as State Route 99. The property is not located near the Sound Transit alignment.

Range of Options

Options include sale by public bid, negotiated sale or retention by the City. Given that no City department has identified any current or future use for the property and given the proximity of the property to commercial zones, neither the long-term ground lease or retention of the property are in the best interests of the City. There are several private parties that have expressed an interest in acquiring the property. The City derives no additional benefit from offering the property only to abutting owners. Therefore, a sale through a public competitive bid process will generate the best price for the property.

Guideline C: Other Factors

The recommendation should consider the highest and best use of the property, compatibility of the proposed use with the physical characteristics of the property and with surrounding uses, timing and term of the proposed use, appropriateness of the consideration to be received, unique attributes that make the property hard to replace, potential for consolidation with adjacent public property to accomplish future goals and objectives, conditions in the real estate market, and known environmental factors that make affect the value of the property.

Highest and Best Use:

An appraisal was performed on the property by Lori Safer Appraisal, Inc. in October 1999. The indicated value for the property was determined to be \$295,000 based on a Highest and Best Use of a mixed use commercial/housing development. The zoning designation of NC3-40 - Neighborhood Commercial 3 with a 40- foot building height limit -allows for a variety of commercial, residential and mixed-use developments. The 5,898 square foot site contains two platted lots. The assessed value of the property is \$131,700.

Compatibility with the physical characteristics:

The site is level with good street access and is suitable for any development consistent with underlying zoning.

Compatibility with surrounding uses:

Based on the location, zoning and the comparable sales used by the appraiser to support the conclusion of value, it appears that a mixed-use development will be the most likely use of the site. The site may also be purchased and used by an adjoining property owner for business expansion, another use that would be consistent with the zoning and compatible with the surrounding neighborhood.

Potential for Consolidation with adjacent public property:

There is no other City of Seattle property located in this vicinity. Additionally, there is no other public property in the immediate vicinity.

Timing and Term of Proposed Use:

No specific use is proposed. The property will be offered for sale by public competitive bid.

Appropriateness of the consideration:

The property would be offered for sale at fair market value by public bid to the highest bidder.

Conditions in the real estate market:

Although the Seattle area real estate market has not been hit as hard as the national market, declines were seen in all ranges of the local market over the past year. Seattle home prices were down 15% for the year ending January 2009. Prices were down 19.7% from July 2007. There is some optimism in that the number of pending sales increased from 1,611 in February 2009 to 2,058 in March in King County, a 28% jump. This is significantly stronger than last year's jump – only 10% from February to March 2008. Statistics from the Northwest Multiple Listing Service for the period April 2008 – April 2009 indicate that sales of undeveloped land remain comparatively strong. For a pool of 69 closed transactions of raw land, 43.5% of those sales were on the market for 30 days, and another 23.2% less between 31-60 days. The average selling price for these listings was 90% of listing price. The remaining 33% of sales were on the market for 61-120 days, and the average selling price ranged from 81.6% to 90.9% of listing price. Thus, although the tight credit market has created uncertainties for developers, the scarcity of appropriately priced development lots and land is likely to keep property values on undeveloped land strong over the long run.

Known environmental factors:

Environmental site assessments prepared in June 1999 and March 2000 by Herrera Environmental Consultants identified chlorinated pesticides in the near surface soils along most of the concrete pad except the southwest corner. A previous site assessment, dated January 22, 1992, indicates that one conduit pipe stub end contains 30 percent asbestos fiber. The asbestos fibers in the transit pipe were not friable. The report recommendation was to leave the transit pipe undisturbed until the next user, who may or may not choose to excavate the concrete slab. Seattle City Light will make these environmental reports available to potential purchasers, makes no warranties concerning the condition of the property and will require the purchaser to execute a Release Agreement.

Public Involvement and comment about PMA 544.

In accordance with Council Resolution 30862, passed April 2006, FFD/RES sent out notice to the community and relevant neighborhood associations. A total of 454 notices went out. In response 15 people submitted comments about possible uses of the property. Six respondents thought it would be a good site for a community garden or a small park.

On July 2009, a large sign was erected at the site along the N 80th Street frontage. This sign advised the neighborhood that the City was recommending that the subject property be sold through the public competitive bid process and that members of the community had until August 10, 2009 to submit additional comments or request a copy of the Preliminary Report.

Guideline D Sale

The recommendation should evaluate the potential for selling the property to non-City public entities and to members of the general public.

City Light and FFD are aware that there are several private parties interested in acquiring the property. Non-city public entities were notified twice concerning the excess nature of this property through the circulation process and none expressed an interest in acquiring or using the property for its needs. Typical marketing of this property should result in a successful sale to a responsible developer or adjoining property owner. Sale by public bid will provide a fair and equitable process for identifying an appropriate purchaser for the site. Notice of the public bid process will be sent to property owners in the immediate neighborhood.

RECOMMENDATION

The Real Estate Services Division of the Fleets and Facilities Department recommends that PMA No. 544, the Green Lake Substation, be offered for sale by public bid in a manner to be determined by Seattle City Light, and as approved by the Seattle City Council.

PROPERTY REVIEW PROCESS DETERMINATION FORM			
Property Name: Former Green Lake Substation			
Address:	949 North 80 th Street	Tax Parcel #	379700-0010
PMA ID:	544	Subject Parcel #:	4518
Dept./Dept ID:	Seattle City Light	Current Use:	VACANT
Area (Sq. Ft.):	5,898	Zoning:	NC3-40'
Est. Value:	\$285,000	Assessed Value:	\$131,700
PROPOSED USES AND RECOMMENDED USE			
Department/Governmental Agencies:		Proposed Use: None	
None			
Other Parties wishing to acquire:		Proposed Use: None	
Adjoining property owners and several other nearby property owners.		Parking for business customers; investment.	
RES'S RECOMMENDED USE: <u>Sell by public bid process for Highest and Best Use value</u>			
PROPERTY REVIEW PROCESS DETERMINATION (circle appropriate response)			
1.) Is more than one City dept/Public Agency wishing to acquire?	<input checked="" type="radio"/> No / Yes		15
2.) Is there any pending community proposals for Reuse/ Disposal?	<input checked="" type="radio"/> No / Yes		10
3.) Have citizens, community groups and/or other interested parties contacted the City regarding any of the proposed options?	<input checked="" type="radio"/> No / Yes		10
4.) Will consideration be other than cash?	<input checked="" type="radio"/> No / Yes		10
5.) Is Sale or Trade to a private party being recommended?	No / <input checked="" type="radio"/> Yes		25
6.) Will the proposed use require changes in zoning/other regulations?	<input checked="" type="radio"/> No / Yes		20
7.) Is the estimated Fair Market Value between \$250,000- \$1,000,000?	No / <input checked="" type="radio"/> Yes		10
8.) Is the estimated Fair Market Value over \$1,000,000?	<input checked="" type="radio"/> No / Yes		45
Total Number of Points Awarded for "Yes" Responses:			35
Property Classification for purposes of Disposal review: <input checked="" type="radio"/> Simple / Complex (circle one) (a score of 45+ points results in "Complex" classification)			
Prepared by: <u>David Hemmelgarn</u> Department: <u>FFD/RES</u> Date: <u>July 20, 2009</u>			



Green Lake Substation 949 N. 80th Street



Legend

- PMA 544
- Tax Parcel Lines

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Produced by the City of Seattle
Fleets & Facilities Department
Real Estate Services Division D. Hemmelgarn 7/2/09.

